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## AVIATION CORP. MAKES OUTRIGHT PURCHASE OF CONTROLLING INTEREST IN CROSELY CORP.

The Aviation Corp. has purchased controlling interest in The Crosley Corp. from Powel Crosley, Jr., and family, it was announced June 19 by Victor Emanuel, chairman, and Irving B. Babcock, president of Avco. The sale is subject to approval of the Federal Communications Commission because broadcasting facilities and applications are included in Crosley assets.

The purchase does not include the Crosley automobile division, representing less than 3% of the company's total assets. Powel Crosley plans to form a new company to manufacture the Crosley car and all stockholders of the Crosley Corp. will be given an opportunity to acquire a pro-rata interest in the new company.

Under terms of the purchase, Avco acquires approximately 64% of Crosley Corp.'s 545,800 shares at a price of \$39 a share. A similar offer is being made to minority stockholders. Both are cash transactions involving a total commitment of \$22 million. A bank credit with 10 banks participating has been arranged by Avco to finance the purchase.

The acquisition will give Avco a place of major importance in the postwar production and distribution of household appliances. Crosley has produced refrigerators, radios, gas and electric ranges, and radar and electronic equipment. American Central Mfg. Corp., a subsidiary of Avco, produces kitchen sinks, cabinets, and refrigerator cabinets, and Spencer Heater, a division, makes household and industrial heating units.

In a joint statement Messrs. Emanuel and Babcock declared that "in the household appliances field, we expect to offer the American public new and improved products. No change is planned in Crosley management policies or in operating personnel."

Powel Crosley, Jr., will continue as a member of the Crosley Board of directors, and Lewis Crosley will remain as a vice president.

Raymond C. Cosgrove, vice president in charge of manufacturing, and James D. Shouse, vice president of the broadcasting division, will retain their respective positions and also remain as directors.

Aviation Corp. was organized in 1929 to engage in all phases of the aviation industry. Its manufacturing units include Lycoming, Republic Aircraft Products, and Spencer Heater divisions, and the wholly-owned American Propellor Corp. Associated companies are Consolidated Vultee Aircraft, New York Shipbuilding, and American Central Mfg. Corp. It also has substantial investments in American Airlines, Inc., Pan American World Airways, and Roosevelt Field, Inc.

## RELEASE OF ALUMINUM AROUSES SPECULATION ON ITS USE IN APPLIANCES

Announcement last week of the release by WPB of more than 100 million pounds of aluminum a quarter for civilian goods manufacture has led to some speculation on the subject of whether or not this material might be used in the manufacture of appliances in place of other metals which may remain short in supply. The action by WPB permits unrated orders for aluminum to be filled immediately.

One commentary said that "it was indicated that some appliance producers, under pressure to get reconversion started quickly when authorized, may now think in terms of aluminum as a possible substitute for steel or stainless steel." Stainless steel in particular may be "tight" for some time to come, WPB has reported.

## WPB GRANTS PRIORITIES ASSISTANCE FOR PRODUCTION OF 227,709 REFRIGERATORS TO NINE COMPANIES

To date WPB has granted priorities assistance to nine manufacturers for acquisition of material for third quarter production of 227,709 household mechanical refrigerators.

Thus far, 12 manufacturers have been granted assistance for the production of 155,797 washing machines. Within the coming weeks WPB expects to grant priorities assistance for third quarter production of 37,291 additional refrigerators and 194,403 additional washers, thus bringing totals to 265,000 refrigerators and 350,000 washers, representing maximum quantities for which priorities assistance will be granted.

In making the announcement of these figures (no data for individual companies has yet been made public) WPB emphasized that distribution restrictions as contained in Order L-5-d will not be relaxed until production is high enough to fulfill military, hospital, and other highly essential requirements.

Manufacturers can make refrigerators and washers in excess of these quotas if they can find the necessary materials and manpower, but they will get no assistance from the government agencies for this production "on their own."

## REFRIGERATOR AND WASHER INDUSTRIES TO GET HELP ON NEEDED STAMPINGS

Manufacturers of stampings required for the 265,000 domestic mechanical refrigerators, 350,000 washing machines, and 35,000 electric ranges scheduled for production in the third quarter of 1945 will have priorities assistance in obtaining materials, WPB officials told the Pressed Metal Products Industry Advisory Committee at its recent meeting.

Production of these products in excess of the amounts for which materials have been allotted will have to be carried out without priorities assistance for components and materials, including stampings, WPB said.

A review of the materials-supply situation as it affects stampings revealed that there is an adequate supply of brass and aluminum with some additional improvement expected; no nickel and chrome are available for decorative purposes in civilian products; and steel mills are booked up through the third quarter of 1945 for hot-rolled pickled (acid dipped) and cold-rolled steel sheets. There may be a small amount of open space for plain hot-rolled sheets and light gauge cold-rolled strip at the end of the third quarter, a representative of WPB's Steel Division said.

## FRACTIONAL HORSEPOWER MOTOR PRODUCTION MAY HIT 800,000 UNITS A MONTH BY 4th QUARTER

Production of fractional horsepower motors, until now hitting less than 600,000 a month, may increase to 800,000 during 1945's fourth quarter, members of WPB's labor advisory committee learned this month.

Military needs for fractional horsepower motors is greatest in the large bombers and in electrical appliances, and these demands are not expected to lessen perceptibly for some time. Reconversion needs will be able to be met, however, it is estimated.

## CANADA DROPS SPECIAL EXCISE TAXES ON HOUSEHOLD APPLIANCES, PERMITS PRODUCTION

Special wartime excise taxes of 25% on household electric and gas appliances have been dropped by Canada, and the special excise taxes on radios, phonographs, cameras, and automobiles reduced to 10%. Previously the special automobile tax had ranged from 25% up to 80%, while the radio, phonograph, and camera special tax was 25%.

The cut in taxes is intended to encourage house building and furnishing and to facilitate an early beginning in the transition from wartime to civilian production and employment, according to Canada's Minister of Finance.

Recently the Minister of Finance announced that 32 Wartime Prices and Trade Board orders had been revoked, thus lifting production restrictions on such items as washing machines, vacuum cleaners, commercial laundry equipment, and refrigeration and air conditioning equipment.

## REFRIGERATOR OWNERS IN NEW YORK SAID TO BE NEGLECTING REPAIRS IN ANTICIPATION OF NEW MODELS

Orders for household refrigeration repairs have fallen to a level disturbingly low for this time of year, according to R. J. McKenty of Rex Cole, Inc., secretary of the Refrigeration Service Managers Association of Greater New York, a group representing the factory authorized service organizations of seven leading refrigeration manufacturers, in a newspaper interview which sounded a warning to refrigeration owners.

The slackening has been especially noticeable in major repairs costing \$20 or more.

Recent WPB authorization for the production of 530,000 mechanical refrigerators during the next six months too often will have given housewives the idea that new ones will be on the market very soon, the Association fears.

"Apparently they don't realize that all of these will go into government stockpiles for hospitals, blood banks, and military uses," Mr. McKenty explained.

Ironically, the desperate shortage of repairmen and repair parts felt a year ago have been largely relieved, he said. As is, the industry is just about able to take care of normal seasonal demands.

Refrigerators now in use are continuing to wear out, however, and the industry will not be able to handle a midsummer avalanche of repair orders, Mr. McKenty pointed out.

### NO MORE RATINGS UNDER PR-25 'SPOT ORDER' AFTER JULY 1

Field offices of WPB have been instructed not to assign preference ratings or make allotments of controlled materials under Priorities Regulation 25, the "spot authorization" order, beyond July 1, 1945.

This action has been taken, WPB said, in anticipation of an amendment of PR-25, which will eliminate all such assistance under the order, effective July 1. Previously, the order permitted assistance for non-military production even above the minimum essential production scheduled by WPB, if local conditions permitted and the production did not interfere with the war effort.

WPB field offices will continue to grant allotments, assign ratings, and authorize production schedules until June 15 in the usual manner, but only for the second quarter of 1945. Such authorizations may be issued after June 15 only if it appears reasonably certain that effective use will be made of the assistance granted before the end of the quarter.

Field offices will authorize no production schedules for the third or fourth quarters of 1945 except for products governed by current orders listed in Direction 1 to PR-25.

### HOW WILL FIRST APPLIANCES FOR UNRESTRICTED SALE TO CIVILIANS BE 'DIVVIED UP'?

One of the questions uppermost in the minds of refrigerator and appliance distributors and dealers is "how will the first products for outright sale to civilians be allocated to wholesale and retail outlets?"

From recent utterances by ranking men in government agencies, it seems probable that the matter will be left in the laps of the manufacturers. WPB Chairman J. A. Krug set the tone for this when he stated:

"If we were to attempt in Washington to see that every manufacturer, wholesaler, or retailer got his exact share of released manpower or materials, we would be lost in a myriad of rules and regulations. We would get in the way of reconversion rather than speed it."

There is a general feeling in the field that quotas will be assigned. The Union Electric Co., St. Louis utility, recently sent out a statement of policy headed "During the period of appliance scarcity, they're all yours," declaring that when appliances are first made available, the utility company will waive its quota rights in favor of dealers. It was said that arrangements had been made with distributors for assignment of such quota as the utility might receive to other dealers.



#### ORDER L-65 RESTRICTING PRODUCTION AND DISTRIBUTION OF MANY APPLIANCES IS REVOKED

Limitation Order L-65, which restricted the production and distribution of many electrical appliances and commercial cooking and food preparation equipment, was revoked June 16.

Among the items covered by the order were domestic dishwashers, air heaters, roasters, toasters, heating pads, waffle irons, food mixers, and table stoves.

These items may now be made as materials become available, but for the present at least no priorities assistance will be granted by WPB for the acquisition of materials to make them. All such appliances that can be made and that are not needed to fill orders bearing preference ratings may be sold through normal channels.

One effect of the revocation is to remove the "scrap and salvage" clause which made it necessary to exchange an old part for a new repair part supplied by a manufacturer. This is no longer necessary.

Applications for permission to use resistance wire, previously required by L-65, no longer need be filed by manufacturers of electrical appliances. However, WPB is continuing control over production of resistance wire through Orders M-6-b (nickel) and M-18-a (chromium), which govern the amount of nickel and chromium permitted to be melted.

WPB will grant priorities assistance for limited production of 20 types of commercial electric cooking and food preparation equipment for non-military purposes in the third quarter on the same basis as in the second quarter. Priorities assistance will be given for production of commercial electric ovens and ranges at 17.5% of the 1940 rate; and for production of commercial electric broilers, coffee mills, coffee urns, glass coffee makers, food choppers and grinders, food mixers, food servers, food slicers, fry kettles, griddles, grills, hotplates, juicers, stock kettles, toasters, vegetable peelers, and waffle irons at 10% of the 1940 rate.

#### DEEFPREEZE TO FAVOR SPECIALTY APPLIANCE OUTLETS IN DISTRIBUTION OF ITS PRODUCTS

Deepfreeze Division of Motor Products Corp. has arrived at the following conclusions about its distribution plan, according to F. F. Duggan, general sales manager:

That a specialty item (such as the Deepfreeze unit) is best sold by an independent specialty distributor.

That the territory covered by these independent specialty distributors should be determined by his ability swiftly and efficiently to serve that territory.

That these independent specialty distributors be located at accepted distribution points.

Distributors for the Deepfreeze line have been appointed in nearly 50 areas, Mr. Duggan reported. Most of the distributors are "old-line" specialty appliance distributing firms; some are organizations especially created to handle Deepfreeze production.

#### VACUUM CLEANERS CAN BE PRODUCED; NO RESTRICTIONS ON THEIR SALE

Limitation Order L-18-b, which prohibited production of domestic vacuum cleaners except under "spot authorizations," was revoked last week.

Distribution restrictions were removed with the revocation of the order. Any cleaners that can be made and that are not needed to fill orders bearing preference ratings may be sold to the general public through normal distribution channels. Vacuum cleaners will not be rationed, nor will a certificate testifying to the purchaser's need of a vacuum cleaner be required.

While no "programmed production" of vacuum cleaners is apparently planned by WPB, officials of the agency said that some reconversion assistance will be afforded through an anticipated new priorities regulation that will permit field offices of WPB to give special assistance to overcome any particular materials or components bottlenecks for civilian production not interfering with war production.

It was emphasized that, while WPB plans to abandon programming all along the line as quickly as possible, various types of spot help will be given cases on their merits during the transition period.